

Minutes of Meeting
COLORADO RIVER BOARD OF CALIFORNIA
Wednesday, August 9, 2017

A meeting of the Colorado River Board of California was held on Wednesday, August 9, 2017.

Committee Members and Alternates Present

Dana Bart Fisher, Jr., Chairman
Jeanine Jones
Hank Kuiper
Peter Nelson

Glen D. Peterson
David R. Pettijohn, Vice-Chairman
Jack Seiler
Doug Wilson

Committee Members and Alternates Absent

Norma Sierra Galindo
Christopher Hayes

John Powell, Jr.
David Vigil

Others Present

Steve Abbott
Justin Breck
Melissa Baum-Haley
Karen Donovan
Bill Hasencamp
Michael Hughes
Ned Hyduke
David DeJesus
Tom Levy
Jan Matusak
Jessica Neuwerth

Vic Nguyen
Shanti Rosset
Angela Rashid
Ivory Reyburn
Tom Ryan
Alina Tishchenko
Cherie Watte
Joe Vanderhorst
Kimberlyn Velasquez
Jerry Zimmerman

CALL TO ORDER

Chairman Fisher announced the presence of a quorum and called the meeting to order at 10:04 A.M.

OPPORTUNITY FOR THE PUBLIC TO ADDRESS THE BOARD

Chairman Fisher invited members of the audience to address the Board on items on the agenda or matters related to the Board. Mr. Steve Abbott introduced Ms. Ivory Reyburn, Water Program Manager, for the Coachella Valley Water District.

ADMINISTRATION

Chairman Fisher asked for a motion to approve the June 14, 2017 meeting minutes. Mr. Pettijohn moved that the minutes be approved, seconded by Ms. Jones, and with unanimous consent, the meeting minutes were approved.

COLORADO RIVER BASIN WATER REPORTS

Ms. Rashid reported that as of July 31, 2017, the water surface elevation at Lake Mead was 1,079.18 feet with 9.94 million acre-feet of storage (MAF), or 38% of capacity. The water surface elevation at Lake Powell was 3,634.74 feet with 15.39 MAF of storage, or 63% of capacity. As of July 30, 2017, the total system storage was 33.82 MAF, or 57% of capacity, which is about 2.6 MAF more than the total system storage at this time last year.

Ms. Rashid reported that the forecasted unregulated inflow into Lake Powell for Water Year-2017 is 12.21 MAF, or 113% of average. To date, the Water Year-2017 precipitation is 113% of average. The forecasted April to July inflow is 8.15 MAF, or 114% of average. Ms. Rashid reported that the monthly precipitation for June was dry across the Colorado River Basin and precipitation was below average. The precipitation in July improved, with several areas slightly above average. Ms. Rashid reported that as of August 1, 2017, the Upper Colorado River basin reservoirs, excluding Lake Powell, ranged from 94% of capacity at Fontenelle in Wyoming, 94% of capacity at Flaming Gorge in Wyoming and Utah, 97% of capacity at Morrow Point and 90% of capacity at Blue Mesa in Colorado, and 82% of capacity at Navajo in New Mexico.

Ms. Rashid reported that through July 27, 2017, Brock and Senator Wash reservoirs have captured 77,537 acre-feet and 50,547 acre-feet, respectively. She also reported that the excess deliveries to Mexico were 7,524 acre-feet as of August 2, 2017. As of July 31, 2017, the total bypassed flows to the Cienega de Santa Clara in Mexico were 59,305 acre-feet.

Ms. Rashid noted that some areas of the western United States are still experiencing drought conditions. Mr. Harris added that in New Mexico, the current drought conditions are the lowest they have been since being tracked by the U.S. Drought Monitor.

State and Local Reports

Ms. Jones, representing the California Department of Water Resources (CDWR), reported that there has been very little precipitation except in the southeastern part of California, which had been experiencing monsoonal activity. She also mentioned that the reservoir storage conditions statewide were good as a result of the very wet winter and Oroville's storage levels are down due to the continuing repairs on the spillway structure.

Board member Peterson, representing the Metropolitan Water District of Southern California (MWD), reported that MWD reservoir storage is 86% of capacity. He also noted that MWD is using more of its Colorado River water to blend with State Water Project supplies to achieve the desired water quality levels for delivery.

STATUS OF COLORADO RIVER BASIN PROGRAMS

Basin States Drought Contingency Planning and Minute 323

Mr. Harris provided the Board with an informational briefing on the various documents and domestic agreements associated with Minute No. 323. The Board will be taking action to approve several domestic agreements for Minute 323 during its September 13, 2017 meeting. Mr. Harris reported that Minute 323 will be completed once all of the various domestic agreements are executed. He provided the Board with a draft copy of the various documents and agreements: Minute 323 Key Terms Sheet, Memorandum of Agreement on the Implementation of Minute 323, Interim Operating Agreement for Implementation of Minute 323, 2017 Lower Colorado River Basin Agreement for Binational Intentionally Created Surplus (BICS), Contributed Funds Agreement, Individual Binational Intentionally Created Surplus Delivery Agreements, and the Agreement Regarding Notice from the Secretary of the Interior for the Purpose of Implementing Section IV of Minute No. 323.

Mr. Harris stated that the U.S. and Mexico are in the process of deciding when and where the signing ceremony for the Minute will take place. He noted that protocol calls for the Minute to be signed next in Mexico, but both countries are considering relocating the signing to a location in the U.S. due to logistics of executing the domestic agreements. It is anticipated that the signing ceremony may take place in Santa Fe, New Mexico, in conjunction with the Colorado River Symposium that will be held at the end of September.

Mr. Harris reported that the Minute 323 Key Terms sheet builds upon and extends many of the provisions of Minute 319. Mr. Harris noted that boards, agencies and commission are using

this document to seek approval. The Minute 323 extends operating provisions from Minute 319 with respect to high and low reservoir conditions, and establishes Mexico's Water Reserve which consists of emergency deferrals, a revolving account, and Intentionally Created Mexican Allocation (ICMA). The provisions will be extended through the expiration of the 2007 Interim Guidelines on December 31, 2026. Mr. Harris explained that Mexico would like to maintain a revolving account and replenish the amount of water they deferred under Minute 318 and also utilized in Minute 319 for the environmental pulse flow. Mr. Harris reported that the Minute 323 Key Terms sheet also includes a description of the Binational Water Scarcity Contingency Plan, which is similar to the Lower Basin Drought Contingency Plan, where at a series of critical elevations in Lake Mead, Mexico would make voluntary contributions and leave water in Lake Mead.

Mr. Harris reported that the Key Terms sheet also addresses salinity impacts associated with treaty deliveries at both the Northerly International Boundary (NIB) and the Southerly International Boundary (SIB), and includes structural improvements at SIB to increase the conveyance capacity of the Sanchez Mejorada Canal. Mr. Harris elaborated that the U.S. is prohibited from delivering more than approximately 144,000 acre-feet at SIB, and salinity is capped at 1,200 parts per million during the critical agricultural months of September through December.

Mr. Harris stated that similar to the Minute 319, Minute 323 includes a provision that allows Contractors in the U.S. to fund conservation programs in Mexico and receive ICS credits. Mr. Harris stated that the goal of Minute 323 is to generate an average annual target of 45,000 acre-feet of environmental water through conservation projects. The conserved water will be delivered through Mexico's irrigation delivery system to discrete parcels of land along the Lower Colorado River for habitat maintenance. Mr. Harris stated that funding for the conservation projects would come from the U.S., the Non-Governmental (NGO) community and from Mexico. The conservation projects funding by the U.S. will generate 229,000 acre-feet at a cost of \$31.5 million. Of the 229,000 acre-feet generated, 70,000 acre-feet will go to the environment, 50,000 acre-feet will be Mexico's contribution to the system and 109,100 acre-feet will be credited to the U.S. funders, which include the Central Arizona Water Conservation District (CAWCD), Southern Nevada Water Authority (SNWA), the Metropolitan Water District of Southern California (MWD), and Imperial Irrigation District (IID).

Mr. Harris reported that Minute 323 proposes to maintain and utilize a series of technical workgroups through the term of the minute. The workgroups include Hydrology, Salinity, Flow Variability, Environmental, Projects and Desalination. Mr. Harris elaborated that the desalination workgroup will evaluate potential desalination projects that could be established in either the Gulf of California, the Pacific Coast, or in the Mexicali Valley associated with some of the waste water treatment facilities. Board Members Peterson and Nelson inquired about the impact of desalination to the Salton Sea. Mr. Harris responded that Mexico is aware that their desalting efforts may

impact the Salton Sea and spoke about proposed efforts to desalinate the New River, a tributary to the Salton Sea.

Mr. Harris moved on to discuss the other elements of Minute 323, and stated that the purpose of the Memorandum of Agreement is to specify relationships and obligations of all parties related to the implementation of Minute 323. The signatories include the Department of Interior, the U.S. Bureau of Reclamation (Reclamation), the U.S. International Boundary and Water Commission (USIBWC), the Seven Basin States and the Upper Colorado River Commission, as well as the CAWCD, CVWD, IID, MWD and SNWA. Mr. Harris explained that Chairman Fisher will sign the document on behalf of the Colorado River Board of California (CRB). Mr. Harris explained that some of the same signatories, except for the USIBWC, need to sign the Interim Operating Agreement, which establishes the operational procedures in addition to and consistent with the 2007 Interim Guidelines. Additional signatories include the City of Needles and the Palo Verde Irrigation District (PVID). The Interim Operating Agreement provides for a consultative role for the CRB. A question was asked regarding what would happen if an agency refuse to sign the agreement, and Mr. Harris reminded the audience that IID took a similar position during the Minute 319 process but a solution was eventually developed. Mr. Fisher added that completing the Minute will be an important step forward in our relationship with Mexico.

Mr. Harris explained that the 2017 Binational Intentionally Created Surplus (BICS) Agreement will allow Contractors to invest in projects in Mexico to create water supplies for use in the U.S. through the creation, release and use of BICS and provides necessary forbearance. Mr. Harris stated that the four funding entities (CAWCD, IID, MWD, and SNWA) will contribute funds to create 109,100 acre-feet of water through a pilot program to conserve water from activities including canal lining and fallowing. Mr. Harris explained that the Contributed Funds Agreement established a process of transferring funds from the U.S. and non-federal contributors to fund a portion of the Minute 323 Pilot Program costs. The agreement states that the federal government will pay \$16.5 million for the creation of 50,000 acre-feet of system water and 70,000 acre-feet for the environment, with non-federal entities paying \$15 million in exchange for 109,100 acre-feet of water to be converted to BICS. The total cost of the program is \$31.5 million.

Mr. Harris elaborated on the Binational Water Scarcity Contingency Plan and Section IV of the Minute. He stated that Section IV of Minute 323 would implement the Binational Water Scarcity Contingency Plan when a fully effective Lower Basin Drought Contingency Plan (LB DCP) is in effect. The Binational Water Scarcity Contingency Plan comports with the LB DCP as it relates to evaporation losses, recovery, timing, limitation and trigger elevations. Mr. Harris mentioned that successful negotiations with the other Basin States is necessary to finalizing the LB DCP. Mr. Harris explained that once the LB DCP is completed the Secretary will issue his notice of effectiveness for the LB DCP. A dispute resolution process can be initiated if other states have an issue with the LB DCP.

Mr. Harris reported that at the September 13, 2017 Board meeting, the Board will review the final Minute 323 package and approve the Minute 323 Board Resolution that authorizes the Chairman to execute the Memorandum of Agreement and the Agreement regarding the Section IV notice and encourages Contractors to approve and execute applicable Minute 323 Domestic Agreements and related exhibits.

Status of the Proposed Windy Gap Firing Project (Chimney Hollow Reservoir)

The Board's Principal Engineer, Mr. Vic Nguyen, presented on the status of the proposed Windy Gap Firing Project (Project), also known as the Chimney Hollow Dam and Reservoir. The Northern Water Municipal Subdistrict (Subdistrict) proposes to construct the Project with a storage capacity of 90,000 acre-feet to improve the reliability of supplies from the 1985 Windy Gap Project as well as to add flexibility to their project operations. The Project would supply 30,000 acre-feet per year to meet increasing demands in the Front Range communities and industries.

Mr. Nguyen provided background on the Project, which is designed to connect with and move water through the existing federal Colorado-Big Thompson (C-BT) Project. Water is currently pumped from the Windy Gap Reservoir, which acts as a forebay, for six miles to Granby Reservoir located west of the Continental Divide for storage and delivery. The water is then conveyed eastward beneath the Continental Divide via the 13.1-mile long Alva B. Adams Tunnel to Colorado's Front Range via the C-BT facilities. Water is distributed to the East Slope through a distribution system of reservoirs, canals, pipelines, and hydroelectric power plants. Water rights from the original Windy Gap Project would be used to fill the Chimney Hollow Reservoir.

Mr. Nguyen described the status of the Project and proposed timeline for design and construction. In December 2014, Reclamation completed modifications to the existing Windy Gap carriage contract to move Windy Gap water through the C-BT facilities. In May 2017, the U.S. Army Corps of Engineers finalized the Record of Decision to approve the Project and issued a 404 Clean Water Act permit. Design work is ongoing and is expected to be completed in 2018, and project construction is scheduled to be completed by 2022.

Board member Jones expressed surprise that water rights from the original 1985 Windy Gap Project were still valid, and Board member Peterson asked if there were any significant opposition from the West Slope. Ms. Rosset from MWD replied that opposition by the West Slope is considered normal and standard, and stated that conditional water rights in Colorado may be requested and granted.

Colorado River Basin Salinity Control Program

Mr. Harris reported that the Salinity Control Forum has completed the Draft 2017 Triennial Review that covers the period from 2017 through 2020 and contains a Plan of Implementation.

The Review is out for public review through the end of August and state water quality agencies within the basin states are reviewing it for approval and adoption. Mr. Harris asked that any comments from Board members or agency staff be sent to Mr. Nguyen by August 25th and the Board will forward the comments to the Forum's Work Group for consideration and inclusion in the final Review. From California's perspective, the final draft has been sent to the State Water Resources Control Board for review and approval. After the water quality agencies of all seven states approve the document, the final Review will be submitted to the U.S. Environmental Protection Agency for approval and adoption. No changes were proposed to the numeric criteria at the three stations below Hoover Dam, at Parker Dam, and at Imperial Dam. The Plan of Implementation advocates the removal of an additional 63,500 tons of salt from the system annually. Currently, the Salinity Control Program removes about 1.33 million tons of salt annually from the Colorado River. Mr. Harris added that at the current funding level, almost 1.7 million tons of salt would be taken out each year by 2035. Salt loading in the Colorado River is about 10 million tons per year.

Board member Mr. Peterson asked whether the Forum had considered different methods of removing the salt and the effectiveness of the methods, for example, seepage control versus point source method of control such as the Paradox Valley Unit. Mr. Harris responded that there is a robust analysis and process that not only evaluates salinity control in place now but also potentially new project areas, considering tons of salt per acre, sources of salt, and types of control methods or water application methods, that can be implemented to reduce salt loading. He added that the U.S. Geological Survey has been working on improving the SPARROW model, which may be useful in identifying areas where additional salinity control can be achieved. Mr. Harris said that selenium issues in the Mancos Shale areas of the Colorado River Basin such as at the Four Corners region are also being considered. Selenium loading, particularly in the Lower Colorado River, is becoming more problematic over time and may affect bird and fish species managed in the LCR Multi-Species Conservation Program and in the Salton Sea.

ANNOUNCEMENTS

Mr. Harris indicated that the State Water Resources Control Board had just hired a new Executive Director, Ms. Eileen Sobeck, and that Mr. David Bernhardt has been sworn in as the Deputy Secretary of the Interior. Chairperson Murkowski moved to approve the nomination of Ms. Brenda Burman as Reclamation's Commissioner out of the Energy and Natural Resources Committee in the Senate to the full Senate floor, but the vote was postponed. Mr. Harris announced that Mr. Ryan Nelson, general counsel for the Idaho-based Melaleuca company, has been nominated to serve as the Solicitor of the Department of the Interior. It was noted that the House had passed H.R.—23, Gaining Responsibility on Water Act of 2017. Finally, Mr. Harris reported that Mr. Tom Buschatzke, Director of the Arizona Department of Water Resources, recently testified at a Senate subcommittee on current Colorado River issues and on the Lower Basin drought contingency planning efforts.

ADJOURNMENT

With no further items to be brought before the Board, Chairman Fisher adjourned the meeting at 11:28 A.M.